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CENTRAL INTELLIGENCE GROUP  
 INTELLIGENCE REPORT

COUNTRY Yugoslavia

DATE:

INFO. 25 September 1946

SUBJECT Whitehead Torpedo Factory, Fiume

DIST. 20 November 1946

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ORIGIN

This document is hereby regraded to  
 CONFIDENTIAL in accordance with the  
 letter of 16 October 1978 from the  
 Director of Central Intelligence to the

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 SUPPLEMENT  
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1. The Whitehead Torpedo Factory in Fiume has been nationalized by the Yugoslav government and has been given the name "Torpedo". It is administered by the industrial section of the CPC (Comitato Popolare Cittadino) for VUJA (Military Administration of the Yugoslav Army - Vojna Uprava Jugoslavenske Armije). Because it has a monthly deficit of more than 15,000,000 lire, further operation of the factory would be impossible without continual subsidies from the Yugoslav government. The decision of VUJA to continue operation of the factory was taken partly to avoid the unemployment of many specialized factory workers, approximately ninety-five percent of whom are Italians.
2. The buildings of the factory have recently been completely repaired with the exception of a few windows. It has not proved possible to secure the return of about sixty-five percent of the original factory machinery, which was transported during the war to Fiume Veneto and then to Livorno. The remaining machinery adapted only to the manufacture of torpedoes has been completely neglected and allowed to rust and deteriorate. Machinery adapted for other types of manufacture has, on the other hand, been utilized and kept in repair.
3. Since the end of the war, work in the factory has been primarily of two types: (a) repair of railway cars, vehicles, various types of motors, manufacture of tools for iron workers and blacksmith shops, and manufacture of agricultural implements; (b) partial completion, improvement, and repair of fifty 533mm naval torpedoes which were found in the factory upon the arrival of the Yugoslavs. This latter was done under the observation and control of Yugoslav naval officers. The fifty torpedoes were turned over to the Yugoslav Navy, the last ones being consigned at the end of July 1946. Government authorities expressed their satisfaction with the work done on the torpedoes by granting a special premium of 1,500 lire to each worker in the factory. A Yugoslav naval officer stated that the torpedoes will be used for instructional purposes at training schools, and that the explosive charge will be removed.

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4. There have been rumors that the factory has returned to the manufacture of torpedoes, but source believes that this is improbable because of the apparent impossibility of obtaining necessary tools and machinery and because of the lack of specialized engineers and technicians.
5. At the present time the factory has under study the production of a pneumatic hammer (for which they have received an order of 1,000 from VUSA) and the production of diesel engines for small fishing vessels. Part of the factory has been set up for the rapid repair of broken-down UNRRA vehicles, most of which belong to the Yugoslav Army, and which are sent to Fiume by train from Belgrade.
6. On 1 May 1945, in addition to the fifty torpedoes to be repaired, there were ready and stored in the warehouse of the factory another sixty 533mm naval torpedoes. In the winter of 1945-46 these sixty torpedoes were taken by the Yugoslav Navy and probably sent to Bakar near Susak. At the present time there are also in the warehouse about thirty 533mm aerial torpedoes which the Yugoslavs are not able to utilize. In various sections of the factory there are parts for about seventy torpedoes; these cannot be used because important items are missing and cannot be made in Fiume at the present time.
7. A commission composed of the Referent for Industry of the CPC of Fiume, Pino Cucera, the director of the torpedo factory, Carlo Mania, and a technical expert, went to Milan in May-June 1946 to obtain machinery for the Whitehead factory. They succeeded in acquiring some automatic lathes, which arrived in Fiume in July 1946. Some UNRRA machinery, including drills, has been received by the factory.
8. There are 1,200 persons now employed at the factory as compared with the 3,200 employed during the period of maximum production. The engineering staff has been reduced from fifteen to two (Mania and a reportedly incompetent Yugoslav named Filas). Supervisors have been reduced from forty-two to ten. Specialized workers have been reduced from 1,250 to 400. In addition to director Mania, the factory is also controlled by a factory committee, having almost exclusively political functions. This committee is in contact with OZMA. There is in addition a naval commission composed of three naval officers commanded by a captain.
9. Workers are paid 50 lire an hour for a 48 hour week. State withholdings for social insurance and other purposes amount to 18% of the pay. Office employees are paid salaries ranging between 10,000 and 14,000 lire monthly.
10. Source stated that he had never seen Russian officers in uniform in the factory, although persons in civilian clothes of unknown nationality have sometimes visited the plant.
11. In the former Whitehead Villa near the factory there is a Yugoslav Navy torpedo school. Instructors are officers and non-commissioned officers of the former German Navy.

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12. One factory building is used by the navy as a warehouse for various kinds of material, one as a warehouse for crated UNRRA machinery awaiting transportation into Yugoslavia, and one as a garage for UNRRA vehicles in transit to Yugoslavia.
13. Source has not observed PT boats or submarines in the port of Fiume loading torpedoes or repairing torpedo launching equipment.
14. The hangar of the factory, formerly used by the air arm of the Italian Navy, was damaged and has not been repaired.
15. Work in the shipyards of Quarnaro is limited to salvaging and repairing small sunken boats and repairing railway materials.

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